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# UNDP/UNFPA: HARMONIZATION OF PRESENTATION OF BUDGETS AND ACCOUNTS

Report of the Administrator of the United Nations Development Programme and of the Executive Director of the United Nations Population Fund

## I. PURPOSE

1. In October 1994, the Executive Board of the United Nations Development Programme (UNDP) and of the United Nations Population Fund (UNFPA) adopted decision 94/30, in which it requested the Administrator of the United Nations Development Programme and the Executive Director of the United Nations Population Fund, in the context of the observations made at the current session with regard to the format of budget and account presentations, to cooperate with other United Nations programmes and funds to work towards harmonizing their presentation of budgets and accounts with a view to achieving common definitions, particularly of administrative costs, and obtaining a higher degree of financial transparency and comparability, and to report thereon to the Executive Board at its third regular session in 1995. A similar decision was adopted by the Executive Board of the United Nations Children's Fund (UNICEF).

2. The present status is as follows.

## II. HARMONIZATION OF FINANCIAL STATEMENTS

3. Following General Assembly decision 47/449 of 22 December 1992 and General Assembly resolution 48/216, part C, of 23 December 1993, the Administrative Committee on Coordination (ACC), via its Consultative Committee on Administrative Questions (Financial and Budgetary Questions) (CCAQ (FB)), set up the Working Party on Financial Statements. This built on the work of the previous CCAQ (FB) Working Party, which had developed the United Nations system accounting standards presented to the General Assembly at its forty-eighth session. It had always been recognized that the adoption of those accounting standards would not of itself necessarily lead to greater uniformity in the presentation of financial reports and statements of organizations and that the logical next step would be the formation of a working party on financial statements.

4. This new Working Party, with full participation of senior financial officials of UNDP, UNFPA and UNICEF, held its first meeting in Geneva in June 1994 and a second meeting in New York in December 1994. Following this second meeting, there was an informal meeting with members of the Technical Group of the Panel of External Auditors, who expressed their satisfaction at the progress made.

5. The report of the second meeting of the Working Party (ACC/1995/FB/R.5) was submitted to CCAQ (FB) for consideration in February 1995. CCAQ (FB) approved the proposed programme of work for a third meeting of the Working Party, to be held in Geneva in June 1995. It is expected that the Working Party will be able to finish its work at that session and then discuss its recommendations informally with the Technical Group of the Panel of External Auditors during July. Thereafter, CCAQ (FB) will consider the final report of the Working Party at its session in late August 1995. This will give time for the finalization of statement formats and instructions and any revisions to the Accounting Standards in time for reporting to the General Assembly, as planned, in 1996.

## III. HARMONIZATION OF PRESENTATION OF BIENNIAL BUDGETS

6. As a follow-up to Executive Board decision 94/30, UNDP, UNFPA and UNICEF initiated consultations on the matter of harmonization of the presentation of biennial budgets. On behalf of the three agencies, a consultant was engaged to study the existing budget presentations of the respective agencies and to identify differences that exist and their general nature, i.e., whether they are a matter of format or of more fundamental and conceptual nature.

7. At the time of preparing the present progress report, the first part of the study had just been completed and circulated in draft to the agencies for review and subsequent discussion. After a joint review, the next step will be determined. In this connection, it is important to note that the recently completed management study of UNICEF deals extensively with budgetary matters specific to UNICEF, in particular recommendations to integrate programme and administrative budgets for country offices and to develop a more analytical budgeting process. The findings of that management study will affect the manner in which the joint UNDP/UNFPA/UNICEF study can progress.

8. Given the time frame, it is not expected that the final findings and conclusions of the joint review will have a material impact on the presentation of the respective budget proposals for the 1996-1997 biennium. Considerable work still needs to be done and will include close consultation with the respective Executive Boards and the Advisory Committee on Administrative and Budgetary Questions. The Boards will be kept informed through regular progress reports.

## IV. EXECUTIVE BOARD ACTION

9. The Executive Board may wish to:

Take note of the present report.

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